

Bill Will Cover Millions of Uninsured Children from Lower-Income Working Families

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WASHINGTON, D.C. - U.S. Rep. Charlie Melancon (D-LA) today joined a bipartisan majority in the House in voting for legislation to reauthorize the State Children's Health Insurance Program (S-CHIP). H.R. 2, State Children's Health Insurance Program (SCHIP) Reauthorization Act, renews and improves SCHIP, providing health care coverage for 11 million children - preserving coverage for the 7 million children currently covered by SCHIP and extending coverage to 4 million uninsured children from lower income families who are currently eligible for, but not enrolled in, SCHIP and Medicaid. The bill passed by the House today is based on the two previously-vetoed SCHIP bills, H.R. 3963 and H.R. 976, that Rep. Melancon voted for in 2007.

"Every child deserves the chance to grow up healthy and strong, and this bill will make sure more Louisiana children have that opportunity," said Rep. Melancon. "To be clear, this bill does NOT provide coverage for illegal immigrants. It does NOT provide coverage for children from high-income families. It does NOT create government-run health care. In fact, states cover most children under S-CHIP by enrolling them in private health insurance plans."

"What this bill WILL do is provide health care coverage for almost 200,000 uninsured children in Louisiana. Making sure children have health insurance is not only the right thing to do, it's also much more cost-effective for taxpayers than leaving them uninsured and using the emergency room as a primary care provider. This bill will move us closer to providing every child in our nation with affordable, high-quality health care, and I am proud to support it."

Created in 1997, the State Children's Health Insurance Program (SCHIP) provides funding to states to provide healthcare coverage for children in working families who currently lack health insurance, often because their parents cannot afford costly private insurance and their employers do not provide it for them.

Louisiana has one of the most successful SCHIP programs in the nation. In 1999, according to the Louisiana Department of Insurance, the percentage of low income, uninsured children in our state was 31.6 percent - the fourth worst in the country. Today, as a result of the program, that percentage has dropped to 12.5 percent - one of the nation's 10 best.

The State Children's Health Insurance Program (SCHIP) Reauthorization Act passed today would:

Ensure health care coverage for 11 million American children. The bill renews and improves the State Children's Health Insurance Program (SCHIP), reauthorizing it for four and a half years - through FY 2013. The bill ensures that the 7 million children who currently participate in SCHIP continue to receive coverage. It would also extend coverage to an additional 4 million currently uninsured children, according to the nonpartisan Congressional Budget Office.

Improve care and strengthen funding. The bill invests billions in new funding over five years in SCHIP in order to strengthen SCHIP's financing; increase health care coverage for low-income, uninsured children; and improve the quality of health care children receive.

Provide resources for states to reach uninsured children who are eligible for SCHIP and Medicaid but not yet enrolled. Two-thirds of uninsured children are currently eligible for coverage through SCHIP or Medicaid - but better outreach and adequate funding are needed to identify and enroll them. This bill gives states the resources and incentives necessary to reach and cover millions of uninsured children who are eligible for, but not enrolled in, SCHIP and Medicaid.

Improve SCHIP benefits - ensuring dental coverage and mental health parity. Under the bill, quality dental coverage will now be provided to all children enrolled in SCHIP. The bill also ensures that states will offer mental health services on par with medical and surgical benefits covered under SCHIP.

Improve outreach tools to streamline enrollment of eligible children. The bill provides \$100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

Improve the quality of care for low-income children. The bill establishes a new initiative to develop and implement pediatric health quality measures and improve state reporting of quality data.

Give states the option of covering certain LEGAL immigrant children. The bill gives states the option of covering LEGAL immigrant children who have been here less than five years under SCHIP and Medicaid. The current five-year wait period can mean the difference between preventing or treating health conditions that can affect a child's prospects for a healthy and productive life - or leaving those conditions undetected and not prevented, costing taxpayers much more in the long run.

Prioritize children's coverage and phases out coverage of childless adults and parents. The bill phases out the coverage of childless adults and parents in SCHIP.

Is fully paid-for - with an increase in the tobacco tax and a provision regarding self-referral to physician-owned hospitals. First, the bill raises the tobacco tax by 61 cents a pack. Raising the tobacco tax discourages children from smoking. According to the Campaign for Tobacco-Free Kids, a 61-cent increase in the tobacco tax means that 1,873,000 fewer children will take up smoking. Secondly, the bill closes a loophole in Medicare that allows physicians to profit from referring their patients to hospitals in which they have an ownership interest. Many analysts believe that self-referral to physician-owned hospitals increases unnecessary utilization and encourages the skimming of healthier, less complex, and insured patients by these facilities for higher profit margins. Consequently, this leaves full-service community hospitals with sicker, more complex (and less profitable) patients, which is a further drain on the safety net.

Below is information responding to a few common misconceptions about the SCHIP legislation.

MYTH: This bill will cover children from middle class and wealthy families.

FACT: The whole focus of H.R. 2, the SCHIP Reauthorization bill being considered this week, is providing states the resources and incentives to enroll those children who are currently eligible for Medicaid and/or SCHIP but are not yet enrolled - and putting a priority on the lowest-income children.

- This bill targets enrolling children who are currently eligible for Medicaid and/or SCHIP - almost all of whom have incomes below 200% of the poverty line.
- The legislation also provides the states with considerable financial incentives for covering low-income children first.
- For example, under the bill, bonus payments to states that enroll eligible but uninsured children are only paid for children who are newly enrolled in Medicaid, not SCHIP. Most of these Medicaid children have incomes below the poverty line. This provision targets enrollment of low-income children, just as the GOP leaders advocate, because Medicaid-eligible children are the lowest-income children in the state.
- The bill also provides that states cannot receive the SCHIP federal matching rate for any children covered in families with annual incomes above \$52,800 for a family of three - further ensuring that funds are targeted at low-income and modest-income families.

MYTH: This bill will enable illegal immigrants to get coverage under SCHIP.

FACT: This bill contains numerous provisions to ensure that illegal immigrants will never, under any circumstances, receive coverage under SCHIP.

- The bill includes a provision explicitly reaffirming that nothing in the act allows for payments for individuals who are not legal residents.
- Under current law, there is no citizenship documentation requirement for SCHIP. This bill requires, for the first time, that SCHIP programs comply with the citizenship and identity documentation requirements in Medicaid. SCHIP beneficiaries will have to document both

citizenship and identity to be eligible for coverage.

- The bill includes a provision allowing states the option to electronically verify citizenship and identity through the Social Security Administration to ensure the citizenship documentation requirement is met, without discouraging enrollment of eligible citizen children. That provision includes all of the modifications negotiated with House and Senate Republicans in 2007.

- It is true that the bill does include provisions giving states the OPTION to cover LEGAL immigrant children and pregnant women under Medicaid and SCHIP without the current five-year waiting period; because a sick child or pregnant woman should not have to wait for needed health care. However, these provisions ensure that illegal immigrant children and pregnant women are not covered.

MYTH: SCHIP would replace private health insurance or force children with private health care to move into a government-run program.

FACT: This bill contains several provisions that are designed to minimize children moving from private insurance to SCHIP.

- The bill creates new options for states to develop and expand premium assistance programs, which allow states to use SCHIP and Medicaid funds to help subsidize employer-sponsored health care coverage for a child (thereby keeping a child in their parents' employer-sponsored health plan).

- The bill ensures that bonus payments are targeted only to children in Medicaid, who are the least likely to have private insurance.

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